

A CMS Energy Company

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Dennis DaPra
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January 14, 2002

U. S. Nuclear Regulatory Commission
Attn: Mr. Ira P. Dinitz
Senior Specialist
Mail Stop 12E4
Washington, DC 20555

PALISADES NUCLEAR PLANT DOCKET NO. 50-255

In accordance with Section 140.21 of 10 CFR Part 140 of the Commission's Regulations and Regulatory Guide 9.4, enclosed are, as evidence of guarantee of payment of deferred premiums in connection with the above-named nuclear power plant, two copies of a statement of internal cash flow for the twelve months ended November 30, 2001 and projected for the twelve months ended November 30, 2002.



Rec'd
7/3/02

14004

Consumers Energy Company
Internal Cash Flow
Twelve Months Ended November 2001 and 2002
(In Millions)


Palisades Nuclear Plant

	2001 Actual	2002 Projected
Net Income/(loss) After Taxes	118 *	222
Dividend - Preferred	(2)	(2)
Common	(247)	(176)
Change in Retained Earnings	(131)	44
Adjustments:		
Change in Working Capital	13	13
Depreciation and Amortization	332	346
Deferred Income Taxes and Investment Tax Credit	61	8
MCV Capacity Issues and Accretion	146 *	(16)
Undistributed Subsidiary Earnings, Net of Dividends	(48)	(13)
AFUDC	(6)	(20)
Total Adjustments	498	318
Internal Cash Flow	367	362
Average Quarterly Cash Flow	92	91

Percentage Ownership in Palisades Nuclear Plant 100%

Maximum Total Contingent Liability: \$10 Million

* Includes \$126 million non-cash loss on MCV purchases


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